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EXAMINER'S AMENDMENT

 An examiner's amendment to the record appears below. Should the changes and/or additions be unacceptable to applicant, an amendment may be filed as provided by 37 CFR 1.312. To ensure consideration of such an amendment, it MUST be submitted no later than the payment of the issue fee.

Authorization for this examiner's amendment was given in a telephone interview with Ms. Elizabeth L. Durham on June 16, 2010.

The application has been amended as follows:

Claim 41, line 3, prior to the term "using", please insert the phrase -- drilling a well bore --.

Claim 41, line 6, please delete the phrase "using the drilling fluid".

Please cancel, without prejudice, claims 56, 59-62, 65-73, 82, 83, 85, 95, 98-100 and 103-112.

Reasons for Allowance

2. The following is an examiner's statement of reasons for allowance: the prior art of record does not teach or suggest a method of drilling (or treating) a subterranean formation comprising shale to at least partially inhibit degradation of said shale, wherein the method comprises drilling (or treating) the formation using a fluid that contains, inter

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alia, polyvinyl pyrrolidone nanoparticles having an average particle size of less than 1.000 nm.

3. Any comments considered necessary by applicant must be submitted no later than the payment of the issue fee and, to avoid processing delays, should preferably accompany the issue fee. Such submissions should be clearly labeled "Comments on Statement of Reasons for Allowance."

Conclusion

 Any inquiry concerning this communication or earlier communications from the examiner should be directed to John J. Figueroa whose telephone number is (571)272-8916. The examiner can normally be reached on Monday-Thursday 8:00-6:00pm.

If attempts to reach the examiner by telephone are unsuccessful, the examiner's supervisor, James Seidleck can be reached on (571) 272-1078. The fax phone number for the organization where this application or proceeding is assigned is 571-273-8300.

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/James J. Seidleck/ Supervisory Patent Examiner, Art Unit 1796